

# **South West Rocks Country Club Ltd**

## **Financial Statements**

**For the Year Ended 30 June 2016**

# South West Rocks Country Club Ltd

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For the Year Ended 30 June 2016

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# South West Rocks Country Club Ltd

## Directors' Report

30 June 2016

The directors present their report on South West Rocks Country Club Ltd for the financial year ended 30 June 2016.

### 1. General information

#### Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Names	Position	Appointed / Resigned
Robert James Hogan	Chairman	21 November 2001
David Adams	Vice Chairman	24 October 2010
Ian Douglas MacFie Doyle	Director	19 October 2008
Bruce Thomas	Director	27 October 2013
Sally Williams	Director	15 October 2006 / 18 October 2015
Lawrence Victor Walker	Director	28 October 2012 / 18 October 2015
Ian Simpson	Director	18 October 2015
Andrew Townsend	Director	18 October 2015
Elva Watson	Director	18 October 2015

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

#### Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

David Cunningham, since 29 June 2009.

#### Principal activities

The principal activities of South West Rocks Country Club Ltd during the financial year were the provision of sporting and recreational facilities for members and their guests.

No significant changes in the nature of the Club's activity occurred during the financial year.

#### Business Review

The profit of the company amounted to \$181,452. This represents a decrease of 71% on the results reported for the year ended 30 June 2015. The decrease was attributed to a reduction in bar sales of 8%, bottle shop sales of 11%, offset partly by a reduction in purchases of 11%.

#### Short term objectives

The Club's short term objectives are to:

- Maintain and improve the quality of the Club's facilities.
- Improve staff knowledge regarding appropriate customer contact.
- Maintain a healthy working environment.

## South West Rocks Country Club Ltd

### Directors' Report

30 June 2016

#### Long term objectives

The Club's long term objectives are to:

- Provide catering and entertainment in a socially healthy environment.
- Maintain a strong relationship with members of the Club and their guests.
- Strive for continuous improvements in industry to ensure best outcomes for the club and its members.
- Maintain strong cash flow and balance sheet.

#### Strategy for achieving the objectives

To achieve these objectives, the Club has adopted the following strategies:

- Aim to attract and retain quality staff, focusing on strong customer service.
- Ongoing training in relevant areas of the industry.
- Strive to attract board members with relevant knowledge and understanding of the entities objectives.
- Attract members who will utilise the club to assist in providing strong cash flow.

## 2. Other items

#### Future developments and results

#### Meetings of directors

During the financial year, 15 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Robert James Hogan	15	15
David Adams	15	15
Ian Douglas MacFie Doyle	15	15
Bruce Thomas	15	15
Sally Williams	6	6
Lawrence Victor Walker	6	6
Ian Simpson	9	8
Andrew Townsend	9	9
Elva Watson	9	9

**South West Rocks Country Club Ltd**

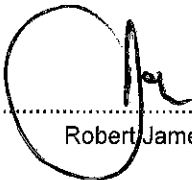
**Directors' Report**

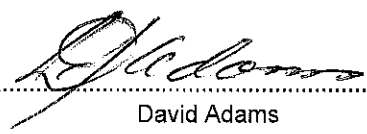
**30 June 2016**

**Auditor's independence declaration**

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2016 has been received and can be found on page 4 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: .....  
  
Robert James Hogan

Director: .....  
  
David Adams

Dated 30 August 2016

**South West Rocks Country Club Ltd**

**Auditors Independence Declaration under Section 307C of the  
Corporations Act 2001 to the Directors of South West Rocks Country Club  
Ltd**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Douglas Cheetham  
Partner  
Wrights Chartered Accountants

30 August 2016

Kempsey

South West Rocks Country Club Ltd

**Statement of Profit or Loss and Other Comprehensive Income**  
For the Year Ended 30 June 2016

	2016	2015
Note	\$	\$
Revenue	5,737,367	5,603,342
Other income	32,076	11,088
Changes in inventories of finished goods and work in progress	8,865	(28,985)
Raw materials and consumables used	(806,567)	(724,903)
Employee benefits expense	(1,721,707)	(1,734,320)
Depreciation and amortisation expense	(524,902)	(489,973)
Other expenses	(2,476,414)	(2,485,353)
Finance costs	(67,266)	(102,311)
<b>Profit before income tax</b>	<b>181,452</b>	<b>48,585</b>
Income tax expense	-	-
<b>Profit from continuing operations</b>	<b>181,452</b>	<b>48,585</b>
<b>Profit for the year</b>	<b>181,452</b>	<b>48,585</b>
<b>Other comprehensive income, net of income tax</b>		
<b>Items that will not be reclassified subsequently to profit or loss</b>		
<b>Items that will be reclassified to profit or loss when specific conditions are met</b>		
<b>Total comprehensive income for the year</b>	<b>181,452</b>	<b>48,585</b>

The accompanying notes form part of these financial statements.

**South West Rocks Country Club Ltd**

**Statement of Financial Position**

**30 June 2016**

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	665,742	593,380
Trade and other receivables	5	35,424	45,060
Inventories	6	177,928	150,736
Other assets	9	37,931	23,042
<b>TOTAL CURRENT ASSETS</b>		<b>917,025</b>	<b>812,218</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	11,317,258	11,489,018
Intangible assets	8	47,109	47,819
<b>TOTAL NON-CURRENT ASSETS</b>		<b>11,364,367</b>	<b>11,536,837</b>
<b>TOTAL ASSETS</b>		<b>12,281,392</b>	<b>12,349,055</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	214,962	217,541
Borrowings	11	291,289	297,268
Current tax liabilities	12	52,829	52,447
Short-term provisions	13	172,003	207,792
Other financial liabilities	14	177,400	160,473
<b>TOTAL CURRENT LIABILITIES</b>		<b>908,483</b>	<b>935,520</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	11	913,670	1,144,710
Long-term provisions	13	42,233	33,271
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>955,903</b>	<b>1,177,981</b>
<b>TOTAL LIABILITIES</b>		<b>1,864,386</b>	<b>2,113,501</b>
<b>NET ASSETS</b>		<b>10,417,006</b>	<b>10,235,554</b>
<b>EQUITY</b>			
Reserves		5,643,897	5,643,897
Retained earnings		4,773,109	4,591,657
<b>TOTAL EQUITY</b>		<b>10,417,006</b>	<b>10,235,554</b>

The accompanying notes form part of these financial statements.



**South West Rocks Country Club Ltd**

**Statement of Changes in Equity**

**For the Year Ended 30 June 2016**

**2016**

	<b>Retained Earnings</b>	<b>Asset Revaluation Surplus</b>	<b>Total</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2015</b>	<b>4,591,657</b>	<b>5,643,897</b>	<b>10,235,554</b>
Profit attributable to members of the entity	181,452	-	181,452
<b>Balance at 30 June 2016</b>	<b>4,773,109</b>	<b>5,643,897</b>	<b>10,417,006</b>

**2015**

	<b>Retained Earnings</b>	<b>Asset Revaluation Surplus</b>	<b>Total</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2014</b>	<b>4,543,072</b>	<b>5,643,897</b>	<b>10,186,969</b>
Profit attributable to members of the parent entity	48,585	-	48,585
<b>Balance at 30 June 2015</b>	<b>4,591,657</b>	<b>5,643,897</b>	<b>10,235,554</b>

The accompanying notes form part of these financial statements.

**South West Rocks Country Club Ltd**

**Statement of Cash Flows**  
**For the Year Ended 30 June 2016**

	2016	2015
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	11,600,419	11,070,076
Payments to suppliers and employees	(10,871,340)	(10,413,324)
Interest paid	(67,266)	(102,311)
Net cash provided by/(used in) operating activities	20      661,813	554,441
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(352,432)	(512,661)
Net cash used by investing activities	(352,432)	(512,661)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net proceeds/(payment) of borrowings	(237,019)	(68,600)
Net cash used by financing activities	(237,019)	(68,600)
Net increase/(decrease) in cash and cash equivalents held	72,362	(26,820)
Cash and cash equivalents at beginning of year	593,380	620,200
Cash and cash equivalents at end of financial year	4      665,742	593,380

The accompanying notes form part of these financial statements.

## South West Rocks Country Club Ltd

### Notes to the Financial Statements

For the Year Ended 30 June 2016

The financial report covers South West Rocks Country Club Ltd as an individual entity. South West Rocks Country Club Ltd is a company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of South West Rocks Country Club Ltd is Australian dollars.

The financial report was authorised for issue by the Directors on 30 August 2016.

Comparatives are consistent with prior years, unless otherwise stated.

#### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

#### 2 Summary of Significant Accounting Policies

##### (a) Income Tax

The Club is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

##### (b) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Club are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over their estimated useful lives.

##### (c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Club and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

##### Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2016**

### **2 Summary of Significant Accounting Policies continued**

#### **Interest revenue**

Interest is recognised using the effective interest method.

#### **Subscriptions**

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

#### **Other income**

Other income is recognised on an accruals basis when the Club is entitled to it.

#### **(d) Goods and Services Tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### **(e) Inventories**

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the weighted average costs basis and is net of any rebates and discounts received.

#### **(f) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

#### **Land and buildings**

Land and buildings are measured using the revaluation model.

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### 2 Summary of Significant Accounting Policies continued

#### (f) Property, Plant and Equipment continued

##### Plant and equipment

Plant and equipment are measured using the cost model.

##### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Club, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant and Equipment	10-20%
Leased Plant and Equipment	20-25%
Furniture, Fixtures and Fittings	5-10%
Office Equipment	10-25%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

#### (g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### (h) Employee benefits

Provision is made for the Club's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2016**

### **2 Summary of Significant Accounting Policies continued**

#### **(i) Provisions**

Provisions are recognised when the Club has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period

This includes provision for leave entitlements which carry the current on costs based on the current wage rate.

#### **(j) Going concern**

In determining whether the business is a going concern the Directors have examined the financial performance of the club. The Club has reviewed its budgets and cost savings strategies. The Board wish to acknowledge that the club's current assets exceed their current liabilities by \$8,542 (2015: deficiency of (\$123,302)).

### **3 Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made include Depreciation and Employee Leave Entitlements, the calculations for which are based on current rates.

#### **Key estimates - impairment of property, plant and equipment**

The Club assesses impairment at the end of each reporting period by evaluating conditions specific to the Club that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

#### **Key estimates - provisions**

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

#### **Key estimates - receivables**

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The Club has not included an impairment provision based on the information available at the reporting date.

South West Rocks Country Club Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2016

4 Cash and cash equivalents

	2016	2015
	\$	\$
Cash at bank and in hand	665,742	593,380
<b>Total cash and cash equivalents</b>	<b>665,742</b>	<b>593,380</b>

5 Trade and other receivables

	2016	2015
	\$	\$
CURRENT		
Trade receivables	35,424	45,060
<b>Total current trade and other receivables</b>	<b>35,424</b>	<b>45,060</b>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

6 Inventories

	2016	2015
	\$	\$
CURRENT		
At cost:		
Stock on hand - Bar & Bottle Shop	137,757	98,137
Stock on hand - Other	40,171	52,599
<b>Total Inventories</b>	<b>177,928</b>	<b>150,736</b>

South West Rocks Country Club Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2016

7 Property, plant and equipment

	2016	2015
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At independent valuation	3,204,000	3,204,000
Total Land	<u>3,204,000</u>	<u>3,204,000</u>
Buildings		
At directors' valuation	8,989,243	8,989,243
At cost	581,443	581,443
Accumulated depreciation	(3,350,510)	(3,107,866)
Total buildings	<u>6,220,176</u>	<u>6,462,820</u>
Total land and buildings	<u>9,424,176</u>	<u>9,666,820</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	4,025,613	3,630,161
Accumulated depreciation	(2,503,953)	(2,165,398)
Total plant and equipment	<u>1,521,660</u>	<u>1,464,763</u>
Leased plant and equipment		
Capitalised leased assets	538,710	583,194
Accumulated depreciation	(167,288)	(225,759)
Total leased plant and equipment	<u>371,422</u>	<u>357,435</u>
Total plant and equipment	<u>1,893,082</u>	<u>1,822,198</u>
<b>Total property, plant and equipment</b>	<u><u>11,317,258</u></u>	<u><u>11,489,018</u></u>

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land	Buildings	Plant and Equipment	Total
	\$	\$	\$	\$
<b>Year ended 30 June 2016</b>				
Balance at the beginning of year	3,204,000	6,462,820	1,822,198	11,489,018
Additions	-	-	350,978	350,978
Depreciation expense	-	(242,644)	(280,095)	(522,739)
<b>Balance at the end of the year</b>	<u>3,204,000</u>	<u>6,220,176</u>	<u>1,893,082</u>	<u>11,317,258</u>

In terms of Section 41J(2) of the Registered Clubs Act, 2 Sportsman Way, South West Rocks is core property of the Club:



South West Rocks Country Club Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2016

8 Intangible Assets

Brand names		
Net Carrying Value	3,310	4,020
Licenses		
Net Carrying Value	43,799	43,799
<b>Total Intangibles</b>	<b>47,109</b>	<b>47,819</b>

9 Other non-financial assets

	2016	2015
	\$	\$
CURRENT		
Prepayments	37,931	23,042
<b>Total Other Assets</b>	<b>37,931</b>	<b>23,042</b>

10 Trade and other payables

	2016	2015
	\$	\$
CURRENT		
Trade payables	131,728	107,925
Sundry payables and accrued expenses	83,234	109,616
<b>Total trade and other payables</b>	<b>214,962</b>	<b>217,541</b>

11 Borrowings

	2016	2015
	\$	\$
CURRENT		
Secured liabilities:		
Lease liability secured	\$ 111,289	\$ 117,268
Bank loans	180,000	180,000
<b>Total current borrowings</b>	<b>\$ 291,289</b>	<b>\$ 297,268</b>

	2016	2015
	\$	\$
NON-CURRENT		
Secured liabilities:		
Lease liability secured	\$ 75,272	\$ 126,312
Bank loans	838,398	1,018,398
<b>Total non-current borrowings</b>	<b>\$ 913,670</b>	<b>\$ 1,144,710</b>

Leased liabilities are secured by the underlying leased assets.

## South West Rocks Country Club Ltd

### Notes to the Financial Statements

For the Year Ended 30 June 2016

#### 11 Borrowings continued

The Securities held over Bank loans are as follows:

First Registered Mortgage over Real Property situated in the Parish of Arakoon, County of Macquarie, Local Government Area of Kempsey as described in the Certificate of Title.

Fixed and Floating Charge over the whole of the assets of South West Rocks Country Club Limited.

Other Reporting Covenants:

Minimum Interest Times Cover based on EBIT of 1.5.

EBIT to be greater than 4.5% of revenue.

Bank Loan is fixed (\$900,000) for a period of five years, with the remaining balance at a variable rate. Repayment amount is \$15,000 per month in arrears.

#### 12 Tax

	2016	2015
	\$	\$
GST/PAYG	52,829	52,447
<b>Total tax liabilities</b>	<b>52,829</b>	<b>52,447</b>

#### 13 Provisions

	2016	2015
	\$	\$
CURRENT		
Employee Leave Entitlements	172,003	207,792
	2016	2015
	\$	\$
NON-CURRENT		
Employee Leave Entitlements	42,233	33,271

#### 14 Other Financial Liabilities

	2016	2015
	\$	\$
CURRENT		
Subscriptions in advance	177,400	160,473
<b>Total Other Financial Liabilities</b>	<b>177,400</b>	<b>160,473</b>

## South West Rocks Country Club Ltd

### Notes to the Financial Statements

For the Year Ended 30 June 2016

#### 15 Members' Guarantee

The Club is incorporated under the *Corporations Act 2001* and is a Club limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$ 2 each towards meeting any outstandings and obligations of the Club. At 30 June 2016 the number of members was 4,064 (2015: 4,244).

#### 16 Revenue and Other Income

Revenue from continuing operations

	2016	2015
	\$	\$
Sales revenue		
- sale of goods	2,041,416	1,933,970
Finance income		
- interest received	4,718	7,153
Other revenue		
- member subscriptions	51,228	47,519
- other trading revenue	3,640,005	3,614,700
<b>Total Revenue</b>	<b>5,737,367</b>	<b>5,603,342</b>
	2016	2015
	\$	\$
Other Income		
- Commissions	32,076	11,088
<b>Total Revenue and Other Income</b>	<b>5,769,443</b>	<b>5,614,430</b>

#### 17 Key Management Personnel Disclosures

The totals of remuneration paid to the key management personnel of South West Rocks Country Club Ltd during the year are as follows:

The total remuneration paid to key management personnel of the Club is \$ 222,952 (2015: \$ 217,869).

#### 18 Contingencies

In the opinion of the Directors, the Club did not have any contingencies at 30 June 2016 (30 June 2015: None).

## South West Rocks Country Club Ltd

### Notes to the Financial Statements

For the Year Ended 30 June 2016

#### 19 Related Parties

Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

During the financial year the Club contracted:

David Adams Electrical to complete work within the club. The total value was \$3,448, all transactions were completed at arm's length. David Adams is a director of the Club.

Picasso's Place to provide food for patrons and staff after 8pm as required, in line with licencing requirements. The total value was \$520, all transactions were on a commercial basis. The Secretary Manager, David Cunningham is related to the proprietor of Picasso's Place.

#### 20 Cash Flow Information

(a) Reconciliation of cash

	2016	2015
	\$	\$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	665,742	593,380

#### 21 Events Occurring After the Reporting Date

The financial report was authorised for issue on 30 August 2016 by the Board of Directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in future financial years.

**South West Rocks Country Club Ltd**

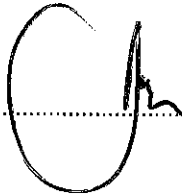
**Directors' Declaration**

The Directors of the Club declare that:

1. The financial statements and notes, as set out on pages 6, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Accounting Standards - Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the Club.
2. In the Directors' opinion, there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

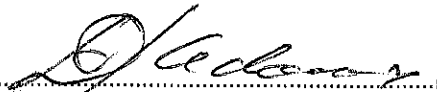
This declaration is made in accordance with a resolution of the Board of Directors.

Director .....



Robert James Hogan

Director .....



David Adams

Dated 30 August 2016

## **South West Rocks Country Club Ltd**

# **Independent Audit Report to the members of South West Rocks Country Club Ltd**

### **Report on the Financial Report**

We have audited the accompanying financial report of South West Rocks Country Club Ltd, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

#### *Directors' Responsibility for the Financial Report*

The directors of the Club are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Club's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

#### *Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of South West Rocks Country Club Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

**South West Rocks Country Club Ltd**

**Independent Audit Report to the members of South West Rocks Country Club Ltd**

*Opinion*

In our opinion the financial report of South West Rocks Country Club Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Club's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Douglas Cheetham  
Partner

Kempsey

30 August 2016